	Agency Name	Department of Social Services (DSS)
	Chapter No./Name	DSS Policy Manual
	Part No./Name	1/Administrative/Fiscal
	Section No./Name	1-09/Petty Cash
	Document No./Name	1-09/Petty Cash
	Effective Date	8/8/08

I. STATEMENT OF POLICY

It shall be the policy of the Department of Social Services to get agency approval from the Secretary, Deputy Secretary, Undersecretary, Assistant Secretary/LRS Director ***(appointing authority)**** or their designee for establishing or increasing petty cash funds prior to being submitted to the Division of Fiscal Services for approval.

II. APPLICABILITY

This policy shall apply to all offices of the Department of Social Services.

III. IMPLEMENTATION

Implementation of this policy and any subsequent revisions shall become effective on the date signed by the Secretary of the Department of Social Services.

IV. RESPONSIBILITIES

It shall be the responsibility of each appointing authority and/or official designee to assure compliance in accordance with the provisions of this policy. Each organization (previously cost center) manager shall designate an employee within the section to be the custodian for the petty cash fund and all vouchers associated with that fund.

V. EXCEPTIONS


Any exceptions to this policy must have the approval of the Secretary.

VI. PURPOSE

The purpose of this policy is to provide uniform guidelines for the establishment, management, control, ***and safeguarding **** of petty cash funds.

Petty cash is used for the purpose of making change or paying small obligations for which the issuance of a formal voucher and check would be too expensive and time consuming.

Note: The LaCarte Card can be used for purchases under \$1,000 (per swipe), in accordance with [DSS Policy 1-19, LaCarte Procurement Card Program](#). Any questions should be directed to the DSS Purchasing Section at 225-342-4148.

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VII. GUIDELINES FOR PETTY CASH FUND

1. Establish the need for a petty cash fund and secure approval of the ***appointing authority,**** or their designee.
2. Submit the request to the Director of the DSS Division of Fiscal Services at:

DSS Division of Fiscal Services
P.O. Box 3927
Baton Rouge, LA 70821
3. Requester receives petty cash check, copy of approval, copy of policy, copy of procedures for preparing Forms PMF-1002 – [Adobe version/Word version](#), PMF-1003 – [Adobe version/Word version](#), and ***PMF 1004 – [Adobe version/Word version](#)**** which is to be completed and returned to Fiscal Services.
4. Petty cash purchases are to be authorized by the ***custodian's supervisor****.

VIII. CRITERIA FOR REIMBURSEMENT

1. Petty cash can be used when it is not economically feasible to order an item. (Example: Freight charges would exceed the cost of the item.) Such purchases are to be made as an exception to the rule, not as a normal routine for obtaining supplies.
2. Expenditures for state vehicles, such as gas, oil, etc., must have make, model and license number on the invoice.
3. Petty cash can be used in the event delivery has not been made from a vendor for initial supply and the office is unable to function without the item. An explanation should be attached to the invoice.
4. Items such as office supplies which can be bought on state contracts should be anticipated and ordered. Only emergency purchases can be made using petty cash. Constant use of "emergency" purchases will be cited by the auditors. An explanation should be attached to the invoice.
5. Petty cash funds ***shall**** never be expended for the following:
 - Repairs exceeding \$15.00. A vendor quotation is required before allowing the repairs to be done. If the amount exceeds \$15.00, then special permission should be obtained to use petty cash; otherwise, submit the invoice ******* to Payment Management for processing.

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- Magazine and newspaper subscriptions.
- Office personnel's personal use or for the use of visitors to the agency. This includes items such as facial tissue, coffee, doughnuts, etc.
- Items such as pot plants, ashtrays, desk lamps or any type of decorative item for an office. These items should be requisitioned through the purchasing agent.
- Gifts, flowers, birthday cards, sympathy cards or Christmas cards to employees, members of an employee's family, consumers, friends, etc.
- ***Holiday**** decorations for an office.
- Utility payments or other normal operating expenditures.

Note: ***Petty cash shall not be used to reimburse any employee for expenditures of one of the above items for any reason.****

6. The total of petty cash on hand plus the amount of signed receipts at any one time must equal the total amount of petty cash authorized. At no time can reimbursement be requested with a negative amount on hand.
7. Petty cash funds are subject to audit at any time.

IX. PROCEDURES FOR DISBURSEMENT

1. Obtain proper approval from authorized personnel within the office prior to making a purchase.
2. Obtain an invoice from the vendor. Always obtain receipts when making petty cash disbursements. If a purchase is made from a small firm which cannot provide a formal invoice, ******* request that the owner or salesman provide a register tape or adding machine tape, indicating the company's name, ***owner or salesman's**** name and date.
3. When there are several items on a receipt, ***write**** the item ******* next to the amount on the register tape. If there is not enough space on the register tape, write the breakdown on a separate page ***and attach to the receipt.****


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4. Prepare Form PMF 1002 - [Adobe version/Word version](#) and obtain appropriate approval. *The custodian signs on the "Prepared By" line. The employee making the purchase signs the "Received By" line. The custodian's supervisor signs the "Approved by" line.**
5. Attach Form PMF 1002 – [Adobe version/Word version](#) to the original invoice and deliver to the petty cash custodian.
6. The custodian reimburses the employee for the amount of the invoice from the petty cash fund.
7. Request reimbursement when approximately 60-70% of the petty cash funds have been spent. Do not wait until the funds are *low**. Expenses should be reimbursed in the fiscal year the expense occurred.
8. Petty cash disbursements should be dated the day of the disbursement; that is, on a daily basis. If several purchases have been made from one company, but on different dates, Form PMF 1002 – [Adobe version/Word version](#) must be filled out for each purchase.
9. Prepare Form PMF 1003 - *[Adobe version/Word version](#)**.

***X. SAFEGUARDING THE PETTY CASH FUND**

Petty cash funds and supporting documentation (receipts) must be kept in a safe location and must not be commingled with any other funds. The custodian is responsible for safeguarding the cash in a safe, locked file, or locked desk and locked office. Access to the fund is restricted to the custodian. The custodian should verify and reconcile the funds at least weekly. Refer to Section VIII (6) of this policy.

The appointing authority must be notified immediately if funds are missing and theft is suspected. The loss must also be reported to the Division of Fiscal Services Director and the Bureau of Audit Services Director. The fund custodian must prepare a document outlining the facts and circumstances of the loss and submit it to the appointing authority. All suspected thefts are to be treated confidentially since an investigation may be ongoing.**

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When funds are missing and theft is suspected the fund custodian must:

- Prepare a document outlining the facts of the loss, amount of the loss, etc.
- Submit the document to the Appointing Authority.
- Copy the DSS Division of Fiscal Services Director and the DSS Bureau of Internal Audit Director.
- All suspected thefts are to be treated confidentially since an investigation may be ongoing.

The Division Director/Regional Manager shall submit the following to the Appointing Authority:

- Supporting documentation of the custodian's record keeping of disbursements and replenishments of the petty cash fund.
- Documentation outlining when and how the funds were discovered missing.
- Recommendation for disciplinary action of the custodian up to but not limited to dismissal.
- Recommendation for a new petty cash custodian.

The Division Director is also responsible for:

- Forwarding a copy of the above documentation to the Bureau of Audit Services Director and Division of Fiscal Services Director.

The Appointing Authority shall appoint someone to investigate the suspected theft. If facts reveal that funds were stolen, the Appointing Authority shall approve the recommended disciplinary action or recommend a different course of action. A copy of the Appointing Authority's response shall be sent to the Bureau of Audit Services Director and the Division of Fiscal Services' Director. **